



To: Public Works & Transportation Committee **Date:** June 7, 2006
From: Victor Wei, P. Eng. **File:** 10-6360-01/2006-Vol 01
Acting Director, Transportation
Re: **PROPOSED TERM SHEET ON NELSON ROAD IMPROVEMENTS BETWEEN WESTMINSTER HIGHWAY AND BLUNDELL ROAD**

Staff Recommendation

1. That staff be authorized to sign-off on the proposed term sheet with the Fraser River Port Authority on the road and traffic signal improvements along Nelson Road, between Westminster Highway and Blundell Road, which would form the basis of a subsequent agreement to be established between the Authority and the City.
2. That, based on the above proposed term sheet, staff be directed to draft an agreement between the Fraser River Port Authority and the City on the details of commitment from both parties to the Nelson Road improvements, and report back to Council for approval prior to its execution.

For Victor Wei, P. Eng.
Acting Director, Transportation
(4131)

Att. 3

FOR ORIGINATING DIVISION USE ONLY					
ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER	
Engineering	Y	<input checked="" type="checkbox"/>	N		
Budgets	Y	<input checked="" type="checkbox"/>	N		
Development Applications.....	Y	<input checked="" type="checkbox"/>	N		
REVIEWED BY TAG	YES	<input checked="" type="checkbox"/>	NO	REVIEWED BY CAO	YES
			<input type="checkbox"/>		<input checked="" type="checkbox"/>
					<input type="checkbox"/>

Staff Report

Origin

The Fraser River Port Authority (FRPA) is proposing its Phase III development on the FRPA's lands between No. 7 Road and No. 8 Road (see Attachments 1 and 2 for the maps of east Richmond area and FRPA's developments, respectively). The development, consisting of a total of 1.9 million square feet and 27 acres of industrial/warehousing land uses, is slated to commence later this year and continue until its full build-out in five years.

As part of the Phase III development, FRPA, in consultation with the City, has undertaken a traffic impact study (referred to as the "traffic study" henceforward) to assess the impacts of the development. The traffic study also included recommendations on the transportation improvements and their timing required to accommodate the additional traffic anticipated.

The purpose of this report is to summarize the transportation improvements required to support the developments in and around the FRPA's lands and provide details on how these improvements would be implemented. In addition, this report seeks Council's endorsement on the proposed term sheet (Attachment 3) and direction to staff to draft a legal agreement between the City and FRPA on the road and traffic signal improvements proposed along Nelson Road, between Westminster Highway and Blundell Road.

Analysis

1. Traffic Impacts of Current Development Phase

The current development phase (Phase III) of the FRPA lands includes three major new industrial tenants:

- Westnav (a grain repacking business at 17.5 acres);
- Euro Asia (a container handling business at 230,000 square feet); and,
- Hopewell (a distribution campus at 500,000 square feet).

Based on the traffic study carried out by the FRPA's consultant, at its full build-out, together with traffic generated from adjacent developments, i.e., Kingswood / Beedie properties, and the first two prior phases of the FRPA development, it is estimated that a total of approximately 2,100 vehicles per hour would be generated in the afternoon peak hour. As part of the study findings, 52% of this new traffic was found to be attributed to the FRPA Phase III developments.

2. Required Transportation Improvements

To accommodate the amount of traffic generated and support the above-noted developments, the following transportation improvements have been identified by the FRPA's consultant and supported by the City:

- a) Two-lane cross-section of Blundell Road from No. 7 Road to existing terminus just west of No. 8 Road (interim)

- b) Westbound left-turn lane at the Blundell Road/FRPA Phase III Service Road access point
- c) Additional full-movement access to/from FRPA Phase III development (Hopewell and Euro Asia)
- d) All-way stop at the Blundell Road/No. 8 Road intersection
- e) Five-lane cross-section of Nelson Road through the Blundell Road intersection and double eastbound left-turn lanes from Blundell Road to Nelson Road
- f) Four-lane cross-section of Westminster Highway between Nelson Road and Highway 91
- g) Double westbound left-turn lanes at the Nelson Road/Westminster Highway Intersection
- h) A second eastbound through lane at the Nelson Road/Westminster Highway intersection
- i) Four-lane cross-section of Nelson Road between Blundell Road and Westminster Highway
- j) Signalization of the Blundell Road/Nelson Road intersection
- k) Modification of the existing traffic signal at the Westminster Highway/Nelson Road intersection
- l) Four-lane cross-section of Blundell Road east of No. 7 Road (ultimate)
- m) Signalization of the Blundell Road/No. 8 Road intersection and provision of a eastbound left-turn lane

3. Implementation Strategy (of the above-noted Transportation Improvements)

Items a) to d):

The design and construction of items a) to d) inclusive, would be included as part of the Blundell Servicing Agreement between the City and FRPA. These improvements would be implemented by FRPA later this year as part of its current phase of development.

Item e):

This item is included as part of the Servicing Agreement for the developments on the Kingswood properties (on the northwest corner of the Blundell Road/Nelson Road). It is expected that the noted improvements would be implemented later this year/early next year.

Items f) to h):

These three items would be implemented as part of the Westminster Highway widening project between Hamilton Interchange and Nelson Road. Phase 1 of this project, i.e., widening Westminster Highway to four lanes between McMillan Way and Hamilton Interchange, and its funding (\$6,525,000, including external funding from Translink), have been approved by Council. The construction is slated to commence later this year and be completed in 2007/2008. Phase 2 of the project, i.e., widening of Westminster Highway between Nelson Road and McMillan Way, has been identified as part of City's long-term Capital Program and would likely be implemented in conjunction with the Nelson Road widening (most likely no sooner than 2011), subject to funding availability.

Items i) to k):

These items would be implemented in accordance with the proposed term sheet (Attachment 3), which intends to provide clarity and certainty for the City on the implementation strategy and funding arrangement with FRPA. In essence, it is proposed in the term sheet that if the City elects to implement items i) to k), FRPA's contribution towards the total cost (estimated 2005 cost to be \$2,840,000) would be based on the proportion of the total area traffic generated, which

has been agreed to be 52%. The remaining 48% would be funded by the City through the DCC Program, subject to funding availability and Council approval as part of the annual Major Capital Works Program process.

Based on the results of the traffic study, the earliest time that these improvements would be required is after the full build-out of the FRPA Phase III development, i.e., after 2011, which could tie in with the timing of the Westminster Highway widening project (Phase 2), between Nelson Road and McMillan Way. The implementation of these projects would enhance the access and goods movement for the entire area, with a provision four travel lanes to/from Highway 91 via Hamilton Interchange.

Items l) to m):

These items are considered to be long-term improvements that may be necessary to support future developments in the area and/or enhance the connectivity between Hamilton Interchange and the potential future interchange at Highway 99/Blundell Road. Staff would report back to Council when the needs for these improvements arise and seek approval from Council on any funding and implementation strategies necessary.

Financial Impact

There is no financial impact to the City at this time. However, when the City elects to widen Nelson Road (between Westminster Highway and Blundell Road) and install/upgrade traffic signals on Nelson Road (at Westminster Highway and Blundell Road), Council would be fully informed of the financial impacts through the annual Major Capital Works Program process.

Conclusion

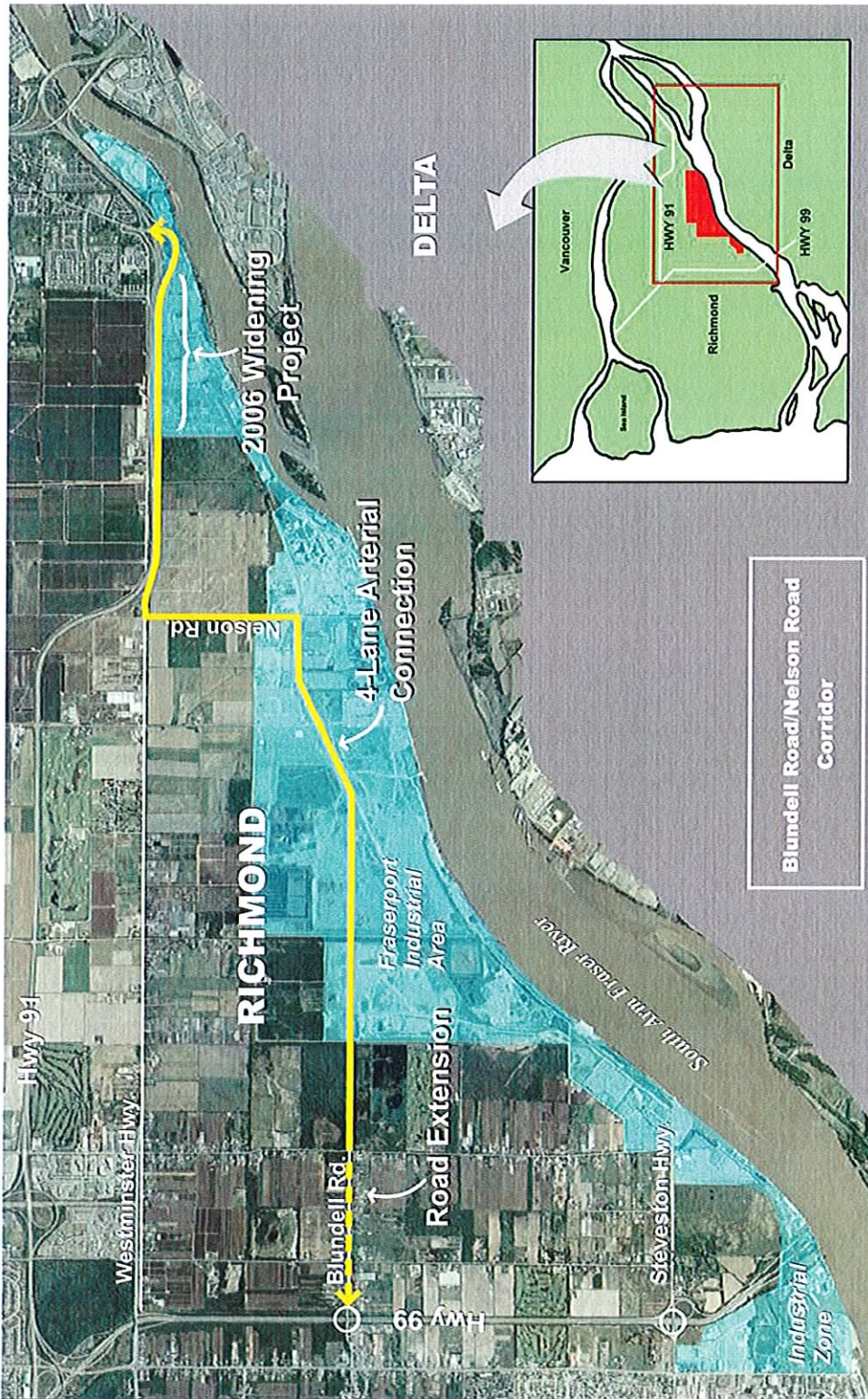
This report provides a summary of the transportation improvements required to support the developments in and around FRPA's lands. In addition, the report seeks Council's endorsement on the proposed term sheet, which would provide the basis for committing FRPA 52% of the cost required to widen Nelson Road to four lanes (between Westminster Highway and Blundell Road) and upgrade/install traffic signals at the Westminster Highway and Blundell Road intersections on Nelson Road, when the City elects to proceed with the projects.



Fred Lin, P. Eng.
Transportation Engineer
(4627)

FL:lce

Blundell Road/Nelson Road Corridor, East Richmond Area



TERM SHEET

Parties:

City of Richmond (City)
Fraser River Port Authority (FRPA)

Principles:

An agreement between the FRPA and the City has been proposed for the Blundell Servicing Agreement and Nelson Road Agreement as described below. The Parties acknowledge that the transactions contemplated by this Term Sheet pertaining to the Nelson Road widening are subject to the approval of the FRPA Board of Directors and the City Council. The agreements, once concluded by the parties will be executed as soon as possible and in any event prior to any development of those areas of the Richmond Properties site shown as Area A or Area IV on Attachment A hereto.

Background:

The FRPA is a corporation continued pursuant to the Canada Marine Act, R.S.C. 1998, Chap. 10, and pursuant thereto manages and operates certain federal real property and works within Fraser River Port.

The FRPA manages the Richmond Properties site, which it intends to develop into a logistics hub for cargo handling and distribution activities.

The City is responsible for the approval of transportation and municipal services infrastructure placed within its road right of ways. The City is planning for the ultimate development of Blundell Road into a four lane arterial standard road that is to connect to a future highway interchange at Highway 99 ("the Arterial Road") to facilitate traffic generated by the industrial area in southeast Richmond including the Fraser River Port lands.

The Parties acknowledge that Blundell Road is partially constructed west of No. 8 Road. The Parties also acknowledge that the Province of B.C., Ministry of Transportation's ("Ministry of Transportation") approval of the future highway interchange at Highway 99 and Blundell Road must be obtained prior to the Arterial Road being constructed. The Parties also acknowledge that regional and provincial government funding is needed in order to complete the Arterial Road.

Under the City's direction, the FRPA retained Delcan to conduct a Phase III Development Traffic Impact Study dated October, 2005 (Attachment B) related to the proposed Phase III development of the Richmond Properties site that recommended, in part, the construction of Blundell Road from No. 8 Road to No. 7 Road to an interim two lane urban cross section with an ultimate four lane cross section.

The FRPA and the City have jointly determined that the FRPA should contribute funds towards the widening of Nelson Road to four lanes between Westminster Highway and the northern edge of Kingswood Industrial Park under the terms of the Nelson Road Agreement provided that such works are compatible with the Ministry of Transportation's and TransLink's plan for regional

transportation improvements in the area, and such plan does not incorporate the expansion of No. 8 Road from the Richmond Properties to Westminster Highway and beyond to Highway 91A.

Terms applicable to both the City and FRPA

1. **Blundell Servicing Agreement** - The FRPA will enter into a Servicing Agreement with the City during spring/summer of 2006 to construct the north two lanes of Blundell Road, including the installations of water, sanitary sewer and storm sewer, electrical, natural gas, and communications utilities, from No. 7 Road to its existing terminus just west of No. 8 Road. The FRPA will construct a westbound left-turn lane at Blundell Road and the Phase III Service Road with additional full movement access to and from the Phase III Development identified on the ISL concept drawings dated July 2005. The FRPA will also install a four way stop sign at the Blundell Road and No. 8 Road intersection. It is understood that Blundell Road will be upgraded ultimately to the City's divided urban arterial road standard east of No. 7 Road by FRPA at the time of subsequent development phases of the FRPA lands beyond Phase III, similar to the process used in past upgrade of Blundell Road within the FRPA lands.
2. **Nelson Road Agreement** - The FRPA will enter into a separate agreement with the City to contribute to improvements to Nelson Road, such improvements not anticipated to be completed prior to 2011. These improvements shall be restricted to widening Nelson Road to four lanes from Westminster Highway to the north edge of the Kingswood Industrial Park, including construction of a traffic signal at the intersection of Blundell Road and Nelson Road and modification of the existing traffic signal at the intersection of Westminster Highway and Nelson Road (the "Project") using the same municipal standards used for the 2003 upgrade of Nelson Road in the same vicinity. The Nelson Road Agreement would be concluded upon FRPA and the City reaching mutual agreement on the actual costs to complete the Project, FRPA's financial contribution, and the other terms of this Agreement.
 - a. The basis for the calculation of the FRPA financial contribution to the Project shall be as follows:
 - i. the proportion of traffic generated by FRPA's proposed Phase III development within the Richmond Properties site which is determined to be 52%. FRPA's financial contribution is limited to 52% of the Revised Project Costs, as defined below;
 - ii. the 2005 estimated cost of widening Nelson Road is acknowledged to be \$2,840,000 which includes construction costs of \$2,400,000, engineering and design costs of \$240,000, traffic signalization costs of \$200,000, and other costs related to overheads, environmental compensation, and land acquisition, such costs are exclusive of taxes (the "Project Costs").
 - iii. Project Costs will be subject to a joint review to be completed prior to the commencement of the Project. The joint review will be prepared by a third party to review the Project Costs using a Class 'A' estimate standard based on detailed

engineering design drawings to determine if the costs for the Project will be greater or less than the original estimate of the 2005 Project Costs (the "Revised Project Costs").

- iv. The FRPA will be responsible for 52% of the Revised Project Costs.
 - b. The City will be responsible for the balance of the Revised Project Costs, in addition to FRPA's financial contribution stated herein. If the City elects to award a tender for the Project prior to 2011, the FRPA will make reasonable commercial efforts to pay its contribution of the Revised Project Costs to the City at the same time that the City pays amounts invoiced by its contractors, but in any event will pay its financial contribution not later than January 1, 2011.
 - c. If the City elects to award a tender for the Project after 2011 then the FRPA will pay its contribution of the Revised Project Costs at the time the City pays amounts invoiced by its contractor.
 - d. The Nelson Road Agreement will set out the Project budget to complete the improvements, the FRPA's financial contribution and other terms as agreed between the Parties.
 - e. The City will acquire any real property necessary for the proposed Project and any land acquisition costs from owners, survey costs and legal costs associated with acquiring the real property will form part of the Project Costs. In the event the FRPA is the owner of any real property required for the improvements, the FRPA shall grant to the City a Right of Way over any such lands at no cost to the City. The 2005 estimated land acquisition cost is \$400,000.
3. In the event of any dispute between the Parties, the dispute resolution process as described in the Intermunicipal-FRPA Accord will be used.

